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IN THE

Supreme Court of the United States

OCTOBER TERM, 1962

No. 766

BOWEN-ITCO, INC., AND LYNN W. STORM,
Petitioners,

v.

HOUSTON ENGINEERS, INC.,
Respondent.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FIFTH CIRCUIT.

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v.

HOUSTON ENGINEERS, INC.,

Respondent.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FIFTH CIRCUIT.

The Petitioners above named pray that a writ of certiorari issue to review the decision in this cause of the United States Court of Appeals for the Fifth Circuit.

OPINION BELOW

A copy of the Opinion of the Court of Appeals (R. 1000) upon which review is sought is in the Appendix of this Petition, pages 1a-9a. It is reported at 135 U.S. Patents Quarterly 334.

A copy of the Opinion of the District Court is also in the Appendix of this Petition, pages 10a-19a. It is reported at 192 F. Supp. 223.

JURISDICTION

The ground on which the jurisdiction of this Court is invoked is that the United States Court of Appeals for the Fifth Circuit, by its decision herein, has proceeded in a manner not in accordance with Rule 52(a) of the Federal Rules of Civil Procedure and in a way which conflicts with applicable decisions of this Court, specifically the decision of this Court in *Kelley* v. *Everglades Drainage District*, 319 U.S. 415, 421-422, 87 L. Ed. 1485, 1489.

The Opinion (R. 1000) sought to be reviewed was rendered November 21, 1962, and the Judgment (R. 1010) of the Court of Appeals was entered November 21, 1962. A Petition for Rehearing (R. 1011) was filed December 5th, 1962. It was denied, with no opinion, on December 27th, 1962 (R. 1043).

A Petition by Plaintiffs-Appellees for a Mandate to the District Court to Open the Judgment, Take Additional Testimony and Amend the Findings of Fact (R. 1031) was denied on January 9th, 1963, with no opinion (R. 1053).

The statute conferring jurisdiction on this Court is 28 United States Code, Section 1254.

QUESTION PRESENTED FOR REVIEW

The question here presented is:

> Question: Where the District Court has made no Findings of Fact on the only issue which the Court of Appeals decides is crucial, should the Court of Appeals make its own Findings of Fact, or should it remand the case to the District Court with instructions to make Findings of Fact on that crucial issue?

STATEMENT OF THE CASE

Petitioners brought this suit in the District Court for the infringement of claim 6 of U. S. Patent No. Re: 23,354 (R. 672).

The District Court found that Claim 6 of the patent in suit was infringed, and that Claim 6 in suit reads literally upon the accused device. (See Findings of Fact Nos. 13 and 14, R. 646, 192 F. Supp. 228 and Appendix, page 17a).

The Court of Appeals for the 5th Circuit reversed the District Court because it found that the suit was barred by the proceedings in the Patent Office. The Court of Appeals *made its own fact findings* on its interpretation of the File Wrapper of the patent in suit. The Court of Appeals recognized that the District Court had made no fact findings on the reissue file wrapper, stating:

> "The findings of fact by the district court compare Claim 6 with the claims of the original patent, but do not compare that claim with the cancelled claims of the reissue application, and do not discuss the reissue patent-file wrapper." (R. 1004 and Appendix p. 4a.)

Thus, the Court of Appeals, instead of remanding the case to the District Court for such fact findings, proceeded to resolve the fact issues, drawing inferences as to the meanings of the technical language in the proceedings before the Patent Office as reflected in the file wrapper of the patent in suit (R. 1003-1009 and Appendix pages 4a-9a). On the basis of such fact findings *alone*, the Court of Appeals decided there was no infringement.

The question of the propriety of the action of the Court of Appeals in making its own Findings of Fact, where the District Court has failed to do so on the issue which the Court of Appeals has decided is crucial, was presented to the Court of Appeals by the present Petitioner.

Following the decision (R. 1000) of the Court of Appeals of November 21, 1962, Plaintiffs-Appellees filed a Petition for Rehearing (R. 1011).

In its Answer to the Petition for Rehearing, Defendant-Appellant cited (R. 1022) an affidavit (R. 656) by one Mil-

ton Edwin Gilbert, and argued (R. 1022) that this had some bearing on the issue with respect to the File Wrapper of the patent in suit.

Plaintiffs-Appellees then filed their Petition for a Mandate to the District Court to Open the Judgment, Take Additional Testimony and Amend the Findings of Fact (R. 1031). By this Petition, it was offered to prove that the Gilbert affidavit contained false statements as to what transpired in the Patent Office.

On January 9th, 1963, the Petition as to the Mandate was denied (R. 1053).

FEDERAL JURISDICTION OF COURTS BELOW

This is a suit for patent infringement. Jurisdiction of the Federal Courts is founded on 28 U. S. Code, Sections 1338 and 1400.

ARGUMENT

A patent is a Federal grant. It is a contract between the Government and the inventor, and is to be construed like any other contract. *Scott-Strong* v. *Weller*, 112 F. 2nd 389, 394 (CA-8).

The "File Wrapper" of the proceedings in the Patent Office are frequently resorted to, in determining the intention of the contracting parties.

The Court of Appeals, in discussing the negotiations in the Patent Office in the case at bar, stated that the Examiner "explicitly and persistently adhered" to a certain position, and that, "according to the file wrapper, the applicant (Storm) appears to have acquiesced in that position." (R. 1009 and appendix page 9a)

The Court of Appeals thus raises a question of the intent of the contracting parties (Storm and the Federal Government as represented by the Examiner).

Issues of fact are thus raised as to the meaning of words, intent of the parties contracting for the grant, and as to what transpired in the Patent Office at the time the patent in suit was granted.

Under a long line of decisions of this Court, as well as every other Federal Court of Appellate jurisdiction in the land, including the Court of Appeals of the 5th Circuit (as expressed, for example, in *Johnson* v. *United States*, 256 F. 2nd 849; *Employer's Liability Assurance Corp.* v. *Weeden*, 274 F. 2nd 809; and *Victor Towing Co.* v. *Bordelon*, 219 F. 2nd 540), it is neither the *duty* nor the *right* of a Federal Court of Appeals to make its own findings of fact on issues which are decisive and upon which the District Court has failed to make findings of fact.

The following decisions of this Court are directly in point:

Graham v. *Bayne*, 59 U.S. (18 How.) 60, 63, 15 L. Ed. 265, 267;

Panama Mail Steamship Co. v. *Vargas*, 281 U.S. 670, 671-672; 74 L. Ed. 1105, 1106;

Kelley v. *Everglades Drainage District*, 319 U.S. 415, 421-422, 87 L. Ed. 1485;

Graver Tank Co. v. *Linde Air Prod. Co.*, 336 U.S. 271, 274, 93 L. Ed. 672, 676;

United States v. *Yellow Cab Co.*, 338 U.S. 338, 341-342, 94 L. Ed. 150, 153.

In deciding whether this Petition should be granted, we submit that this Court need go no farther than to consider the case of *Kelley* v. *Everglades Drainage District*, 319 U.S. 415; 87 L. Ed. 1485. It is completely dispositive on the question presented by this Petition. It is no more the function of the Court of Appeals than it is the function of this Court to search the record and analyze the evidence in order to supply findings which the trial court failed to make.

In the *Everglades* case, this Court said:

> "* * * It may be that adequate evidence as to these matters is in the present record. On that we do not pass, for it is not the function of this court to search the record and analyze the evidence in order to supply findings which the trial court failed to make. Nor do we intimate that findings must be made on all of the enumerated matters or need be made on no others; the nature of the evidentiary findings sufficient and appropriate to support the court's decision as to fairness or unfairness is for the trial court to determine in the first instance in the light of the circumstances of the particular case. We hold only that there must be findings, stated either in the court's opinion or separately, which are sufficient to indicate the factual basis for the ultimate conclusion.
>
> "Since the state of the record is such that a proper determination of the questions of law raised by petitioners' contentions as to the treatment of Class II creditors cannot be made in the absence of suitable findings, the petition for writ of certiorari is granted, the judgment is vacated, and the cause remanded to the District Court for appropriate action in conformity with this opinion."
>
> —*Kelley* v. *Everglades Drainage District*, 319 U.S. 415, 421-422, 87 L. Ed. 1485, 1489.

The above cited decisions of this Court applicable to appellate procedure in the Federal Courts have not been followed by the Court of Appeals in this case.

Since facts which the Court of Appeals regarded as crucial as to the meaning of terms in the claim in suit, the intention of parties, and as to what transpired in the Patent Office were not resolved by the District Court, the Court of Appeals should have remanded the case to the District Court instead of making its own findings of fact on these issues.

Accordingly, this Petition for a Writ of Certiorari should be granted so that this Court can reverse the decision of the Court of Appeals and remand the cause to the District Court for appropriate action on the issue which the Court of Appeals has found to be crucial.

For the above reasons, this petition should be granted.

Respectfully submitted,

.....

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SERVICE

Service of this Petition has been made upon Houston Engineers, Inc., Respondent, by mailing a copy to Mr. James B. Simms, its attorney, 3400 Montrose Blvd., Houston 6, Texas, this ..... day of ....., 1963.

.....
Attorney for Petitioners

OPINION

IN THE

United States Court of Appeals

FOR THE FIFTH CIRCUIT

No. 19264

HOUSTON ENGINEERS, INC.,

Appellant,

v.

BOWEN-ITCO, INC. AND LYNN W. STORM,

Appellees.

APPEAL FROM THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF TEXAS.

(November 21, 1962)

Before RIVES, CAMERON and GEWIN, Circuit Judges.

RIVES, Circuit Judge: This appeal is from a judgment holding Claim 6 of United States Letters Patent Reissue No. 23,354, reissued April 10, 1951, to be valid and infringed. The judgment ordered an accounting to determine damages, and enjoined the defendant from further infringement. The opinion, findings of fact, and conclusions of law of the district court are reported at 192 F. Supp. 223.

The subject matter of the patent is a "jar" or tool for jarring stuck objects loose from well bores. When an ob-

ject stuck in the bore of an oil well cannot be loosened and pulled out by a steady pull, it has been common for many years to operate "jars" to jar or hammer the object loose. In the colorful language of the trade, stuck objects are called "fish," the efforts to release them are called "fishing operations," and the pipe extending from the draw works of the rig to the fish is called the "fishing string" of pipe.

Jars, whether mechanical or hydraulic, have the same basic parts, consisting of: (1) telescoping inner and outer tubular parts, one connecting to the fishing string of pipe and the other to a grapple or other means of making contact with the fish; (2) a detent or restraining means between the inner and outer tubular parts to prevent their relative movement until, (a) in the case of an upward jar, the draw works of the rig has taken a strong pull on the fishing string, or (b) in the case of a downward jar, enough weight of the fishing string has been slacked off, when in either event the fishing string is suddenly released for the jar or hammer effect; (3) impact faces on either part to impart and receive the force of the blow, that is to act as the manner and the anvil.

The first jars used were mechanical and some mechanical jars are still in use. They have, however, been largely replaced by hydraulic jars. The difference between the two is in the detent; that is, in whether the means of restraining movement between the two parts is mechanical or hydraulic. Except for the detent there is nothing hydraulic about any of the jars.

The direction of the blow to loosen the fish is usually upward. Some mechanical jars, however, are capable of both upward and downward jarring operations, and are called two-way jars. Even one-way upward jars are usually

capable of downward bumps by simple release from the draw works of the weight of the fishing string. In that event the force of the bump is not intensified by the stored energy effect of the sudden release of the detent. For a jar to be capable of actually jarring or hammering both upwardly and downwardly, it must have: (1) a detent which can restrain and release the movement of the stroke in either direction, and (2) two sets of impact faces, one for the upward blow and the other for the downward blow.

The first patent for a hydraulic or aydrostatic jar was No. 1,637,505, issued to W. B. Wigle on August 2, 1927. It was a one-way jar striking an upward blow. It made use of the well fluid as a restraining means. The sand and mud in that fluid was so abrasive that the Wigle tool had a short life. Its use began in the early part of 1925 and it was abandoned in 1927, practically as soon as the patent was issued.

On April 5, 1927, William H. Maxwell, a Los Angeles patent attorney, filed application for the first patent on a sealed-in hydraulic jar. It too was a one-way jar striking an upward blow. The patent was issued on May 12, 1931 as No. 1,804,700. It appears from the evidence in this case that the jar was never actually used. As the patentee of a truly hydraulic jar, however, Maxwell was a pioneer. The district court found that:

> "Storm 'balanced' the forces of the mud in the well upon his jar. This was what made it practical and commercially successful. Nowhere in the prior art is there any teaching of a balanced hydraulic jar.
> ". . . . . .
>
> "The closest patent in the prior art is the patent to Maxwell No. 1,804,700. Maxwell was a Los Angeles patent attorney, and he proposed a hydraulic jar essentially like Storm's except that it was not balanced. . ." (192 F. Supp. 225, 227.)

In explaining what is meant by "balance," the district court said:

> "The important feature of the tool is that the seals at the top and bottom of the cylinder have substantially the same internal diameter, so that the 'rods' or parts of the mandrel which extend through them are of substantially the same diameter at the top and bottom. This is what causes the device to be 'balanced.' The main advantage of a balanced system is that the hydraulic action is then independent of hydrostatic pressures existing in the well as the result of fluid therein. This is important especially in deep wells. . . ."
> (192 F. Supp. at 226.)

The appellant insists that Claim 6, as well as all other claims of the Storm patent, was not only limited to a balanced hydraulic jar, but was required by the Patent Office to be limited to a two-way jar. If so limited, the validity of Claim 6 is not attacked, and it would unquestionably be valid. The one-way jar of the defendant, Houston Engineers, Inc., would not, however, constitute an infringement. Thus, as a first step in the decision of the case, we turn to the interpretation of Claim 6 of the patent in the light of the actions and rulings of the Patent Office. The findings of fact by the district court compare Claim 6 with the claims in the original patent, but do not compare that claim with the cancelled claims of the reissue application, and do not discuss the reissue patent file wrapper.

Claim 6 reads as follows:

> "6. A well tool comprising inner and outer concentrically arranged tubular parts movable longitudinally reative to each other, means for connecting one of said parts to an operating string, means for connecting the other of said parts to an object stuck in a well bore, said parts forming a closed fluid chamber, said inner part extending completely through the chamber, a piston

on the inner part, sealing means on the outer part at each end of the chamber through which said inner part extends, *said chamber having a portion of reduced internal diameter between its ends in which the piston is adapted to move upon relative longitudinal movement of said inner and outer parts*, the annulus of the piston being slightly smaller than said portion of reduced internal diameter to permit of fluid flow from one side of the piston to the other side thereof as the piston moves in said portion, the internal diameters of said sealing means being substantially the same to provide uniform chamber volume regardless of the relative positions of said inner and outer parts, *and co-acting impact faces on the inner and outer parts arranged to contact when the parts reach the limit of their movement relative to each other in either direction*." (Emphasis supplied.)

The original patent No. 2,499,695 had been granted on March 7, 1950, and contained three claims admittedly limited to a balanced two-way jar. The application for the original patent was filed on March 18, 1947. The examiner rejected Claims 1-12, commenting: "The Wigle and Maxwell patents have like piston and cylinder elements for producing a jar in the upward direction." In response, applicant's attorney made it clear that each claim was restricted to a two-way jar. "None of the references cited disclose a restricted cylinder in a tubular body and intermediate the ends thereof with a piston on the inner part of a diameter to fit in the cylinder snugly and positioned to move entirely through and beyond the cylinder in either direction so as to operate either on upstroke or downstroke. This feature is brought out in one way or another in each of the claims. Neither Maxwell nor Wigle will operate on downstroke." Again the examiner rejected all claims, commenting: "It is devoid of invention to make the jars of Maxwell or Wiggle (sic) 'two-way' jars as taught by Beck (upward and down

ward jarring), by making the 'leaking' pistons double acting as taught by Merrick."[1] In response the applicant amended his claims, and for the first time emphasized "balance," significantly, however, as an aid to the functioning of the jar both upwardly and downwardly:

> "It was thoroughly pointed out to the Examiner during the recent interviews, that Applicant's hydraulic jar is so designed that uniform chamber volume and pressure will be maintained in the fluid chamber regardless of the relative positions of the inner and outer parts. This is the main characteristic of the invention and is desirable and important in that it permits of the present jar functioning to jar both upwardly and downwardly."[2]

Thus, hydraulic balance was first mentioned in the amendment filed October 24, 1949, over two and one-half years after the application was filed, and it was claimed simply as an aid to the functioning of a two-way jar.

The inventor, Mr. Storm, testified that when the original patent issued, he realized immediately that "we were unfairly limited in our claims." On April 24, 1950, only a

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[1] Referring to Beck 2,474,459, June 28, 1949, 255-27, and Merrick 1,584,884, May 18, 1926, 188-96.

[2] The importance of balance to a two-way jar is clearly explained in appellant's brief:

> "Balance *in the two-way jar* does have special significance. When the weight of the fishing string is supported by the detent to jar down, it is the hydraulic fluid in the upper part of he oil chamber that supports the load while the oil bleeds past the piston. It may do so because it is relatively incompressible even at high pressures (Crook, R. 414). On the other hand, if the oil chamber is unbalanced, there will be a pocket of space in the upper part of the chamber when the green cylinder starts to pass down over the blue piston on the downstroke. This space will immediately compress, allowing the green cylinder to pass over the blue piston without any restraint (Crook, R. 483).
>
> "On the other hand, the upward jar can still be struck even with unbalance. This is because the lower part of the oil chamber will be filled with oil and the orange part can only move up over the piston as fast as the oil beneath the piston can be bled between the green reduced diameter portion and the piston. Thus, the hydraulic detent is effective in a one-way unbalanced hydraulic jar, but balance is nearly essential in a two-way hydraulic jar."

month and a half after the original patent had been granted. Storm, through a different attorney, filed an application for the reissue.

The new claims in the original application for the reissue patent were numbered 4 through 7. Those claims were not limited to a two-way jar. Claim 4, for example, used the expression, ". . . said chamber having a portion of restricted internal diameter forming a cylinder coacting with said piston. . . ." The examiner rejected Claims 4-7 as met by either Maxwell or Wigle, and commented: "Unless the claims specify that the restricted internal cylinder portion is located intermediate the ends of the fluid chamber these claims do not specify a 'two-way jar' and hence are fully readable on the 'one-way jars' of Wigle and Maxwell."

In response the applicant amended Claims 4-7 in several respects and included in each the insertion "intermediate its ends," which the examiner had stated would be necessary to specify a "two-way jar." The applicant also added Claims 8, 9 and 10. Claims 8 and 9 also used the expression "intermediate its ends." Claim 10 was broad enough to cover a balanced one-way jar, since it read:

> "10. A well tool comprising inner and outer telescopically arranged tubular parts movable longitudinally relative to each other, means for connecting one of said parts to an operating string, means for connecting the other of said parts to an object stuck in a well bore, a closed annular liquid-filled chamber formed between the inner tubular part and the outer tubular part, sealing means at the ends of said chamber, a piston on the inner tubular part, *said chamber having a portion of restricted internal diameter forming a cylinder into and out of which the piston is adapted to move*, the annulus of said piston being spaced from said cylinder to permit of fluid flow around said piston from one side to the other side thereof as

the piston moves in the cylinder, said sealed ends of said chamber being of substantially the same diameter to provide uniform chamber volume regardless of the relative positions of said inner and outer parts, *and coacting impact delivering means on the inner and outer parts adapted to contact when the parts reach the limit of their movement relative to each other in one direction.*" (Emphasis supplied.)

Again the Examiner found no claims allowable, and commented: "Claims 4-7 and 10 are rejected as being unpatentable over Maxwell, Fig. 3 or Wigle Figs. 9 or 10 in view of Daillens or Knoerr. It would not amount to invention in the one way dashpot type jar tools of Maxwell or Wigle, to make the sealed ends of the 'chamber' of substantially the same diameter as taught by Knoerr (Figs. 1, 3) or Daillens (Fig. 1)."[3]

What the examiner was clearly saying is that the incorporation of "balance" without the restriction to a "two-way jar" would not justify allowing a claim. In response the applicant cancelled Claims 4 to 10, inclusive, and rewrote Claims 1, 2 and 3 as Claims 11, 12 and 13 (numbered in the reissue patent 4, 5 and 6). The applicant's "Remarks" stated: "Claims 1, 2 and 3 are rewritten as claims 11, 12 and 13, respectively, to more accurately define the invention in terms of the structure disclosed and to remove the functionality, vagueness and indefiniteness which the Examiner has pointed out." There was no remark that Claim 13 (6 in the reissue patent) or any other claim was broad enough to cover a balanced one-way jar. Without further ado, the examiner allowed the reissue.

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[3] Knoerr and Daillens referred to are:

"Knoerr	2,077,760	Apr. 20, 1937	166-1 B
"Daillens (French)	399,700	Apr. 29, 1909	255-27 uxr

(1 sht. dwg. 2 pp. spec.)".

"Throughout, the examiner explicitly and persistently adhered to the position that a claim was not allowable unless it specified a "two-way jar." According to the file wrapper, the applicant appears to have acquiesced in that position. He had no difficulty in expressing a claim clearly broad enough to include a one-way jar as is evidenced by cancelled Claim 10, which we have quoted. He should have adhered to Claim 10 or some equally clear claim if he wanted to test his right to a claim covering a one-way jar. In the light of the file wrapper, the conclusion seems inescapable that the provisions of Claim 6 which we have placed in italics operate to restrict that claim to a two-way jar.

The district court held Claim 6 valid, and we agree. When restricted to a two-way jar its validity is not questioned. It is equally clear, however, that Claim 6 is not infringed by the one-way jar of the defendant, Houston Engineers, Inc.

The judgment is accordingly reversed with directions to enter judgment for the defendant.

REVERSED.

OPINION OF THE DISTRICT COURT

For The
Southern District of Texas, Houston, Texas
Judge Ingraham

(filed March 15, 1961)
(Caption Omitted).

This is a patent infringement suit. The plaintiffs are Bowen-Itco Inc., a Texas corporation (hereinafter called Bowen), and Lynn W. Storm (hereinafter called Storm), and the defendant is Houston Engineers, Inc., a corporation of Texas (hereinafter called Houston Engineers).

The patent in suit bears the number Re. 23,354 and the date of April 10, 1951. It is a reissue of original patent 2,499,695 granted to Storm March 7, 1950, on his application filed March 18, 1947. Plaintiffs charge that claim 6 of the reissue patent 23,354 is infringed.

Storm is the owner of the patent in suit, and has granted Bowen an exclusive license under it. Hence, Storm and Bowen are both proper parties plaintiff in this suit.

In its answer, Houston Engineers denies that the Storm reissue patent in suit is valid, and it denies that it has infringed the patent in suit. Defendant also counterclaims for declaratory judgment that the patent in suit is invalid and not infringed.

The Storm reissue patent in suit relates to what is known as a hydraulic jar for use with "fishing tools" in oil wells. When an object becomes stuck in a well, fishing tools are run into the well on pipe and latched onto the stuck object or "fish", and an attempt is then made to pull it loose. If a straight pull will not loosen it, an attempt is made to strike the fish a heavy blow, usually upward, to jar it loose.

Prior to Storm's proposals, the jars used for this purpose were mostly mechanical. They had links or latches or

springs of various sorts. There had been earlier proposals to employ hydraulic systems in jars, but these were not successful. Storm was the first to provide the industry with a commercially successful hydraulic jar.

Bowen has manufactured and supplied the industry with a hydraulic jar under its license from Storm since 1947. The Bowen hydraulic jar has largely taken the place of the earlier mechanical jars.

In some applications, perhaps mechanical and hydraulic devices may be the equivalent. I do not regard them as equivalent in the present case, however. They were held not to be the equivalent in Lawrence v. Hunt Tool Co., 142 Fed. Supp. 329, affirmed by the Court of Appeals (5th Cir.), 242 Fed. (2d) 347, and the situation here is the same.

Moreover, it is clear that Storm made a decided improvement on the earlier jars, and particularly an improvement on the earlier proposals for hydraulic jars, such as those of the Wigle patent 1,637,505, the Maxwell patent 1,804,700 and the Collett patent 2,180,223. Storm "balanced" the forces of the mud in the well upon his jar. This was what made it practical and commercially successful. Nowhere in the prior art is there any teaching of a balanced hydraulic jar.

Accordingly, I am of the opinion that the decision of the Patent Office that Storm was entitled to claim 6 of reissue patent 23,354 was correct.

The granting of the reissue by the Patent Office was merely to correct an error made in the prosecution of the original Storm patent 2,499,695. The record shows that the Examiner in the Patent Office carefully considered Storm's right to claim 6 of the reissue patent 23,354.

The decision of the Examiner in this regard should be and is given a great deal of weight.

Regardless of what weight is to be given the decision of the Examiner, I find that reissue patent 23,354 fully complies with the requirements of Title 35, U. S. Code, Section 251. While this statute did not take effect until January 1, 1953, it applies retroactively to this reissue patent granted April 10, 1951. Southern Saw Service, Inc. v. Pittsburgh-Erie Saw Corp., 239 Fed. (2d) 339 (5th Cir.).

In 1956 Houston Engineers started manufacturing its hydraulic jar. The Houston Engineers jar is that of the Harrison patent 2,802,703, granted August 13, 1957, on an application filed August 2, 1956.

I regard the Harrison hydraulic jar, as it is manfactured by Houston Engineers, as an improvement on the Storm hydraulic jar. It has a better valve arrangement. It does not avoid infringement of the Storm patent, however. Storm is entitled to a 17-year monopoly on his invention. Title 35, U. S. Code, Section 154. The grant of a patent to Harrison on an improvement of Storm's hydraulic jar does not excuse infringement of the dominant Storm patent. Bryan v. Sid W. Richardson, Inc., 254 Fed. (2d) 191, 197 (5th Cir.).

Initially, the Houston Engineers hydraulic jars were fully balanced, just like the Storm hydraulic jars made by Bowen. Then a slight change was made in the dimensions. I find that the change was not significant. It was like those discussed in Graver Tank & Mfg. Co. v. Linde Air Products Co., 339 U.S. 605, 94 L. Ed. 1097, and Robertson Rock Bit Co. v. Hughes Tool Co., 176 Fed. (2d) 783, 786 (5th Cir.). The changes made do not avoid infringe-

ment. The doctrine of equivalents applies. The Houston Engineers jar is the equivalent of the Storm hydraulic jar.

Accordingly, I am of the opinion that plaintiffs possess valuable patent rights on the balanced hydraulic jar defined in claim 6 of reissue patent 23,354 in suit, and that these rights have been infringed by defendant. Judgment will be entered in favor of plaintiffs and against defendant, and against defendant on its counterclaim.

The following are filed as findings of fact and conclusions of law:

FINDINGS OF FACT

1. Plaintiff, Lynn W. Storm, is the owner of the patent in suit, Re. 23,354, reissued April 10, 1951. Plaintiff Bowen-Itco, Inc., is the exclusive licensee under the patent in suit, Re. 23,354.

2. Claim 6 of the patent in suit, Re. 23,354, is valid. This claim is directed to a balanced hydraulic jar for pulling stuck objects from oil wells. The claim is to a combination of elements which consists essentially of an outer cylinder and an inner mandrel having a piston for moving through the cylinder. Either the cylinder or the mandrel can be connected to drill pipe for lowering into the well, and the other part connected to the stuck object or "fish". In the chamber in the cylinder, through which the piston moves, there is a portion of reduced internal diameter which fits closely around the piston. Also, there are seals at the top and bottom of the cylinder. The mandrel extends completely through both of these seals. The important feature of the tool is that the seals at the top and bottom of the cylinder have substantially the same internal diameter, so that the "rods" or parts of the mandrel which extend through them are of substantially the

same diameter at the top and bottom. This is what causes the device to be "balanced". The main advantage of a balanced system is that the hydraulic action is then independent of hydrostatic pressures existing in the well as the result of fluid therein. This is important especially in deep wells. In operation of the jar, the chamber is filled with oil, and when tension is taken in the drill pipe tending to pull the device into its extended position, the action of the portion of reduced internal diameter on the piston is such that there is a restraining force until the oil flows between the two. When the piston moves on through the restriction, the stored up energy in the stretched drill pipe is suddenly released, and a strong blow is delivered to the fish. The tool is provided with impact faces which act as hammers and anvils for delivering the blows to the fish. The jar may be operated over and over again in the well, simply by raising and lowering the drill pipe, and due to the balanced feature, it operates substantially free from the influences of the fluid in the well.

3. The Storm patent in suit is not entitled to have pioneer status, but it does mark a decided advance in the art of removing stuck objects from oil wells. Storm was the first to supply the industry with a successful hydraulic jar, and the patent in suit is entitled to a reasonably broad range of equivalents.

4. Storm started working on his hydraulic jar in 1945 and by 1947 had it perfected and in commercial operation. At the time Storm made his invention, the industry was using mechanical restraining devices in jars. These were not entirely satisfactory and there was a need for a better jar and for a hydraulic jar. Others than Storm had made various proposals, as to hydraulic jars, but had not been able to solve the problems encountered in deep

wells where the hydrostatic pressure is high. Storm solved the problems.

5. The closest patent in the prior art is the patent to Maxwell No. 1,804,700. Maxwell was a Los Angeles patent attorney, and he proposed a hydraulic jar essentially like Storm's except that it was not balanced. The Maxwell patent issued in 1931, but no Maxwell jar was ever built or used, insofar as the record shows.

6. In 1925 some jars were built in accordance with the Wigle patent, 1,637,505. These are hydrostatic jars and used the mud in the well as the restraining means. These jars wore out due to the sand in the mud, and after a short trial in the field, the Wigle jars were abandoned.

7. Another proposal prior to Storm was the Collett hydraulic jar of patent 2,180,223. This jar had two pistons, the outside surfaces of which were exposed to well fluid. The structure is quite different than that proposed by Maxwell and Storm. The Collett patent does not teach the concept of balancing. Collett supposed that he had some advantage from having the jar unbalanced. Collett may have built some hydraulic jars, but the record is not clear as to whether they were like his patent or not, and there is no convincing evidence that any jars like his patent were ever used successfully in a well, even experimentally.

8. The Storm hydraulic jar has enjoyed marked commercial success. Except for defendant, the entire industry has respected the Storm patent in suit and paid him tribute.

9. During the prosecution of the Storm application for patent, the Examiner considered the Wigle and the Maxwell patents. The Collett patent was not cited by the Examiner, but since Collett adds nothing to Maxwell

insofar as Storm is concerned, the failure to cite Collett has no probative force.

10. The patent in suit is a reissue of Storm patent 2,499,695 granted March 7, 1950. Claim 6 of the Reissue, here in suit, is broader than the claim allowed in said patent 2,499,695. Claim 6 in suit is not as broad as any claim ever cancelled from the original application, however. In reissuing Storm did not recapture any subject matter intentionally abandoned or dedicated in the original application. The application for reissue was timely, and defendant, Houston Engineers, did not acquire any intervening rights as the result of the reissue. The reissue of the original patent 2,499,695 was necessary to correct a mistake made by Storm and his attorney in failing to draw the claims of the original patent properly. The acts of Storm in reissuing fully comply with the requirements of Title 35, U. S. Code, Section 251. There was no deceptive intention; the original patent was defective by reason of the patentee claiming less than he had a right to claim; and the subject matter of claim 6 in suit is directed to an invention disclosed in the original patent. The Storm Reissue patent 23,354 is therefore valid, and claim 6 thereof is valid.

11. Claim 6 of the Storm patent, Re. 23,354, is infringed by defendant because of the manufacture and use, in the Southern District of Texas and elsewhere in the United States, of the hydraulic jar shown and described in the brochure of Houston Engineers, Inc., PX-13. The Houston Engineers hydraulic jar is that of the patent to Harrison, No. 2,802,703. It is correctly illustrated diagrammatically on the right hand side of PX-16.

12. The Houston Engineers hydraulic jar is like that of the Storm patent in suit except that it uses a different

and improved valve arrangement. The improved valve does not alter the fundamental operation of the combination and does not avoid infringement. The first Houston Engineers jars were made in 1956 and they were fully balanced. In March 1957 a change was made and the jars were slightly unbalanced, a change of one-eighth of an inch or less being made in the diameter of the rods. These changes in dimensions did not alter the tool sufficiently to avoid infringement. The operation of the jars after the change remained the same as before.

13. The Houston Engineers' hydraulic jar come within the spirit of the Storm invention and within the scope of the asserted claim. Claim 6 in suit reads literally upon the Houston Engineers' hydraulic jar.

14. The infringement by defendant is deliberate and willful. Defendant had full knowledge of plaintiffs' patent rights and had actually leased and used the plaintiffs' Storm jar extensively for a number of years before it entered into its arrangement with Harrison, and before it manufactured any hydraulic jars.

CONCLUSIONS OF LAW

1. This court has jurisdiction of the subject matter in suit and over the parties involved.

2. The 1952 Patent Act governs the determination of the issues in this suit. Since the patent in suit is a reissue, the validity of the reissue is to be adjudicated under Title 35, U. S. Code, Section 251.

3. Under Title 35, U. S. Code, Section 282, the patent in suit is presumed to be valid, and the burden of establishing invalidity rests on the defendant. The presumption of validity in the present case is strengthened by the fact

that the Patent Office considered the most pertinent prior art during the examination of the original and reissue applications for the patent in suit.

4. The range of equivalents accorded a patent depends upon whether or not it is a pioneer. An important improvement in an art is entitled to a reasonable range of equivalents, even though the improvement cannot be classed as a pioneer.

5. Infringement of an improvement patent on a combination of elements is not avoided by using a different but known kind of valve in the combination instead of the one shown and described in the patent, nor by varying dimensions without changing the principles of operation of the combination.

6. The making of a patentable improvement on a patented combination does not give a defendant a license to infringe the patent on the combination.

7. Where there is a long felt want for a given tool, and no one seems to be able to solve the problems presented, the one who takes the last step is entitled to a reward, and the fact that other people were working on the problems, without success, shows that the solution was not obvious to men skilled in the art.

8. The test for invention, as laid down in Title 35, U. S. Code, Section 103, is whether the subject matter would have been obvious to a person having ordinary skill in the art "at the time the invention was made," not what is obvious after the patent has issued. It is comparatively easy, once an improvement has been made and disclosed, to take this and that from the prior art and achieve a nunc pro tunc solution of the problems confronting an inventor when he made the invention, but, in

law, what is obvious now is not material evidence on the question of the validity of a patent.

9. Where a patent has enjoyed marked commercial success, and tribute has been paid to the inventor over an extended period of years by the entire industry involved, and where the competition is keen, there is very persuasive evidence that the patent is valid.

Copies hereof will be formulated by the clerk to counsel of record, who will draft and submit Decree conforming herewith.

JOE INGRAHAM
United States District Judge

United States Court of Appeals

FOR THE FIFTH CIRCUIT

OCTOBER TERM, 1961

No. 19,264

D. C. DOCKET NO. 10739 CIVIL

HOUSTON ENGINEERS, INC.,

Appellant,

v.

BOWEN-ITCO, INC. AND LYNN W. STORM,

Appellees.

APPEAL FROM THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF TEXAS

Before RIVES, CAMERON and GEWIN, Circuit Judges.

JUDGMENT

This cause came on to be heard on the transcript of the of the record from the United States District Court for the Southern District of Texas, and was argued by counsel;

ON CONSIDERATION WHEREOF, It is now here ordered and adjudged by this Court that the judgment of the said District Court in this cause be, and the same is hereby, reversed with directions to enter judgment for the defendant;

It is further ordered and adjudged that the appellees, Bowen-Itco, Inc. and Lynn W. Storm, be condemned, in solido, to pay the costs of this cause in this Court for which execution may be issued out of the said District Court.

Issued:

November 21, 1962

In The

United States Court of Appeals

For The Fifth Circuit

No. 19,264

Houston Engineers, Inc.,

Appellant,

v.

Bowen-Itco, Inc. and Lynn W. Storm,

Appellees.

Appeal From The United States District Court for the Southern District of Texas

(December 27, 1962)

ON PETITION FOR REHEARING

Before RIVES, CAMERON and GEWIN, Circuit Judges.

PER CURIAM:

The petition for rehearing in the above styled and numbered cause is hereby

DENIED.

Petition for rehearing filed 12-5-62.

Petition for Rehearing denied 12-27-62.

IN THE

United States Court of Appeals

FOR THE FIFTH CIRCUIT

No. 19,264

HOUSTON ENGINEERS, INC.,

Appellant,

v.

BOWEN-ITCO, INC. AND LYNN W. STORM,

Appellees.

APPEAL FROM THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF TEXAS

(JANUARY 1963)

Before RIVES, CAMERON and GEWIN, Circuit Judges.

PER CURIAM:

In denying the appellees' petition for rehearing it was our intention also to deny the "Petition by Plaintiffs-Appellees for a Mandate to the District Court to Open the Judgment, Take Additional Testimony and Amend the Findings of Fact." The same is hereby specifically denied, without prejudice, however, to an application for stay of the mandate pending application for certiorari to the Supreme Court. To afford an opportunity for the making of such an application and the ruling thereon, the Clerk will withhold issuance of the mandate for a period of 21 days from the date of this order.

Office Supreme Court, U.S.
FILED
FEB 7 1963
JOHN F. DAVIS, CLERK

IN THE

Supreme Court of the United States

OCTOBER TERM, 1962

NO. 766

BOWEN-ITCO, INC., AND LYNN W. STORM,
Petitioners,

v.

HOUSTON ENGINEERS, INC.,
Respondent.

IN OPPOSITION TO PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FIFTH CIRCUIT

BRIEF FOR RESPONDENT

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IN THE

Supreme Court of the United States

OCTOBER TERM, 1962

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BOWEN-ITCO, INC., AND LYNN W. STORM,
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v.

HOUSTON ENGINEERS, INC.,
Respondent.

IN OPPOSITION TO PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FIFTH CIRCUIT

BRIEF FOR RESPONDENT

STATEMENT OF THE CASE

It is believed that a slight expansion or clarification of the Statement of the Case will aid the Court.

The statements in the Opinion of the Court of Appeals which the Petitioners call "Findings of Fact" are merely statements contained in the File Wrapper of the reissue patent in suit. There is no fact controversy as to either the

content or existence of the File Wrapper. The only controversy is as to the legal effect of the statements.

The File Wrapper was placed in evidence by Petitioners as a certified copy of the Patent Office file. It contains the application for the reissue patent as originally filed and copies of the correspondence between the Examiner and the attorney for the applicant (Plaintiffs' Exhibit 4, R. 677-737, inclusive).

ARGUMENT

The question as phrased in the Petition is extremely general in referring to a "crucial issue". The question is much more specific because the so-called "crucial issue" is specific; namely, the legal effect of the File Wrapper. Thus, the question is, in effect:

> Is it proper for an appellate court in reviewing an adjudication of patent infringement to refer to the File Wrapper of the patent in suit, and, where the uncontroverted facts therein contained preclude as a matter of law a ruling of infringement, to reverse with directions to enter judgment for the defendant?

This is what the Court of Appeals did in the instant case.

It is submitted that the Petition for Writ of Certiorari should be denied for each of the following reasons:

1. The Petition viewed as a whole does not provide any reasons of the character contemplated by Rule 19(1) for the issuance of the Writ.

2. 28 U.S.C. 2106 confers on appellate courts the right to reverse a judgment and to direct the entry of an appropriate judgment.

3. The question presented by the Petition, of whether or not the Court of Appeals has properly reversed the lower court without remand "with instructions to make Findings of Fact", has no uniqueness such as to justify the attention of this Court in this particular controversy. The decisions of this Court have settled the practice with respect to Rule 52(a) of the Federal Rules of Civil Procedure.

This Court has for example looked into the record, including the File Wrapper of a patent, and held it was not foreclosed from reversing on a "point by the obscurity of its presentation in the courts below" where the "issue has been fully presented to this Court by the petition for a writ of certiorari, and in subsequent briefs and arguments; and there is not the slightest indication that respondents have been prejudiced by such obscurity." *Muncie Gear Works* v. *Outboard, M. & Mfg. Co.*, 315 U.S. 759-768; 86 L. ed. 1171, 1178.[1]

On the other hand, where there are numerous conflicting fact issues on which there are no Findings of Fact, then the appellate court will remand for additional Findings of Fact. This was the situation in the cases urged by Petitioners in their brief. Thus, Petitioners' authorities are inapposite to the present case where there was no conflict in evidence, but which merely involved the legal effect to be accorded statements contained in the File Wrapper, a written exhibit.

4. The Court of Appeals would almost have been derelict in its duty, in the interest of judicial economy, to have taken any course other than that which it followed, in view of the circumstances of the instant case. The Court of Appeals having properly concluded that the legal effect of a document required a reversal,

[1] See also *Smith* v. *Magic City Kennel Club*, 282 U.S. 784, 75 L. ed. 707, where this Court affirmed a reversal of the District Court ruling of infringement, based on file wrapper estoppel.

what would be gained by a remand for further Findings of Fact?

Respectfully submitted,

BROWNING, SIMMS, HYER & EICKENROHT

By.....

JAMES B. SIMMS
3400 Montrose Boulevard
Houston 6, Texas

Attorneys for Respondent

CERTIFICATE OF SERVICE

I hereby certify that three copies of the foregoing Brief for Respondent were duly served upon Petitioners herein by depositing same in the United States mail, first class, postage prepaid, addressed to B. R. Pravel, 500 Jefferson Building, Suite 1111, Houston 2, Texas, attorney for Petitioners, this ..... day of February, 1963.

.....

JAMES B. SIMMS

Attorney for Respondent